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Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

First performance report of the International Tribunal for the Former Yugoslavia for the biennium 2008-2009

Report of the Secretary-General

Summary

The present report, the first performance report of the International Tribunal for the Former Yugoslavia for the biennium 2008-2009, is submitted pursuant to General Assembly resolution 62/230. The report reflects a requirement for additional appropriations of $11.4 million, net of staff assessment, over the initial appropriation for the biennium 2008-2009. The increased requirements include changes with respect to exchange rates, inflation and standard salary costs. The Assembly is requested to approve an additional appropriation for the biennium 2008-2009 in the amount of $13,117,900 gross ($11,404,700 net) to the Special Account for the International Tribunal for the Former Yugoslavia.

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Contents

		Page
I.	Introduction	3
II.	Explanation of the changes in net requirements	4
III.	Pension of judges	7
IV.	Action to be taken by the General Assembly	7
Annex		
	Budgetary assumptions: International Tribunal for the Former Yugoslavia for the biennium 2008-2009	8

I. Introduction

1. The primary purpose of the first performance report is to identify adjustments required owing to variations in the rates of inflation and exchange and in the standards assumed in the calculation of the initial appropriations.

2. The net increase in requirements of $11,404,700 for the International Tribunal for the Former Yugoslavia resulting from these technical adjustments is shown in tables 1 and 2. Table 1 reflects the changes by component and main determining factors and table 2 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriations are detailed in paragraphs 5 and 6 below. In addition, the annex to the report provides the budgetary assumptions used in the initial appropriations for the biennium 2008-2009 and the rates proposed in the present report.

Table 1
Summary of projected expenditures and income by component and main determining factors
(Thousands of United States dollars)

		Projected changes				
Component	Two-year appropriation[a]	Exchange rate	Inflation	Standards	Total	Proposed revised appropriation
The Chambers	13 119.9	17.1	2 769.7	—	2 786.8	15 906.7
Office of the Prosecutor	87 709.3	1 463.4	921.5	941.5	3 326.4	91 035.7
The Registry	242 350.4	3 437.4	1 779.7	1 625.8	6 842.9	249 193.3
Records management and archives	4 387.3	138.7	23.1	—	161.8	4 549.1
Total expenditure (gross)	**347 566.9**	**5 056.6**	**5 494.0**	**2 567.3**	**13 117.9**	**360 684.8**
Income						
Staff assessment	31 094.8	157.2	215.2	1 340.8	1 713.2	32 808.0
Other income	265.3	—	—	—	—	265.3
Total (net)	**316 206.8**	**4 899.4**	**5 278.8**	**1 226.5**	**11 404.7**	**327 611.5**

[a] As approved in resolution 62/230.

Table 2
Summary of projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

		Projected changes				
Component	*2008-2009 appropriation*[a]	*Exchange rate*	*Inflation*	*Standards*	*Total*	*Proposed revised appropriation*
Posts	162 119.7	3 799.9	1 297.7	1 226.5	6 324.1	168 443.8
Other staff costs	39 214.7	(424.8)	578.7	—	153.9	39 368.6
Non-staff compensation	12 934.1	16.8	2 765.8	—	2 782.6	15 716.7
Consultants and experts	857.7	15.6	3.8	—	19.4	877.1
Travel	5 513.4	—	136.3	—	136.3	5 649.7
Contractual services	60 254.1	1 022.1	249.2	—	1 271.3	61 525.4
General operating expenses	29 140.8	389.2	223.6	—	612.8	29 753.6
Hospitality	16.3	0.3	—	—	0.3	16.6
Supplies and materials	2 248.7	27.9	8.7	—	36.6	2 285.3
Furniture and equipment	3 561.8	58.4	14.5	—	72.9	3 634.7
Improvement of premises	320.4	(6.0)	0.5	—	(5.5)	314.9
Grants and contributions	290.4	—	—	—	—	290.4
Staff assessment	31 094.8	157.2	215.2	1 340.8	1 713.2	32 808.0
Total (gross)	**347 566.9**	**5 056.6**	**5 494.0**	**2 567.3**	**13 117.9**	**360 684.8**
Income						
Staff assessment	31 094.8	157.2	215.2	1 340.8	1 713.2	32 808.0
Other income	265.3	—	—	—	—	265.3
Total (net)	**316 206.8**	**4 899.4**	**5 278.8**	**1 226.5**	**11 404.7**	**327 611.5**

[a] As approved in resolution 62/230.

II. Explanation of the changes in net requirements

4. The changes resulting from the main determining factors reflected in tables 1 and 2 would yield an increase of $13,117,900 in expenditure requirements for a total revised appropriation of $360,684,800 (gross). Details are set out below (in thousands of United States dollars):

Appropriation[a]	347 566.9	
Variations in budgetary assumptions		
Changes in exchange rates	5 056.6	Based on United Nations operational rates of exchange
Changes in inflation assumptions	5 494.0	Based on consumer price indices, post adjustment multipliers promulgated and actual versus budgeted cost-of-living adjustments
Adjustments to standard salary costs and common staff costs	2 567.3	Based on analysis of actual payroll data, vacancies, common staff costs, recommendations of the International Civil Service Commission and staff assessment provisions consequent upon consolidation of post adjustment
Revised total (gross)	**360 684.8**	

[a] As approved in resolution 62/230.

A. Changes in exchange rates

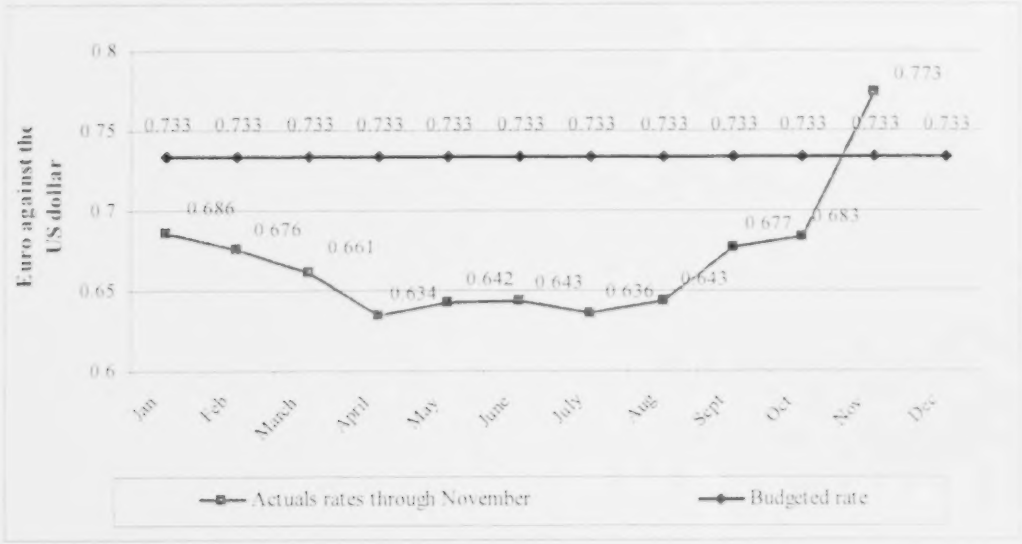
(increase: $5,056,600)

5. The basis for recosting can be either the average operational rates of exchange experienced thus far in the biennium (the averaging method) or the operational rates in effect at the time of recosting (the latest rate). It will be recalled that, in its report on the accounts of the United Nations for the biennium ended 31 December 1995 (A/51/5 (vol. I), chap. II, para. 110), the Board of Auditors recommended that budgetary assumptions relating to operational exchange rates be based on an averaging method instead of the latest available exchange rates. The Secretary-General had indicated that it would not be advisable to predetermine whether the averaging method or the latest month should be used for budget forecasting and recosting and that such a decision should be taken at the time of each recosting. This was reported to the General Assembly and agreed to by the Advisory Committee on Administrative and Budgetary Questions (A/51/7/Add.1-9; see A/51/7/Add.6, para. 5), which indicated that the Secretary-General should use such rates as would allow for the lowest estimates.

6. In the present report, the exchange rates realized have been applied to the period from January to November 2008 and the November 2008 exchange rate has been applied to December 2008. As a result of the recent strengthening of the United States dollar vis-à-vis the euro (see figure below), the November rate (the latest rate) has been applied for 2009 so as to allow for the lowest estimate in respect of requirements in accordance with established methodology. The resulting increase in the amount of $5,056,600 reflects additional requirements for 2008 due to the strengthening of the euro prior to November 2008, partially offset by reduced requirements in 2009. Adjustments resulting from actual experience in 2009 would be implemented in the second performance report for the biennium 2008-2009. The decrease under other staff costs relates to the one-time provisions in 2009 of general temporary assistance for the continuation of some of the functions of the posts scheduled for abolition effective 1 January 2009 and is attributable to the projected

strengthening of the dollar vis-à-vis the euro. The reduced requirements under improvement of premises result from the impact of the strengthening of the dollar on a relatively larger provision in 2009.

Figure
Performance of the euro against the United States dollar: 2008



B. Changes in inflation assumptions

(increase: $5,494,000)

7. The revised projected inflation rates applied to all objects of expenditure in The Hague are based on actual post adjustment multipliers for the period from January to November 2008 and projections based on data used by the International Civil Service Commission as well as the latest information available on consumer price indices and actual versus budgeted cost-of-living adjustments.

C. Adjustments to standard salary costs and common staff costs

(increase: $2,567,300)

8. The increase of $2,567,300 associated with adjustments to standard salary costs and common staff costs reflects the net effect of changes in standard salary costs, common staff costs and staff assessment rates. Revisions to standard salary costs for 2008 are based on the actual averages experienced thus far in the biennium, by category and level. Projections for 2009 are based on the trends experienced in 2008.

III. Pension of judges

9. In section II, paragraph 5, of its resolution 62/230, the General Assembly requested the Secretary-General to include, in the context of the first performance report for the biennium 2008-2009, information on specific parameters of the management of the funds to be appropriated to meet future requirements for pension benefits of the judges of the International Tribunal for the Former Yugoslavia and eligible beneficiaries.

10. Given that the retirement benefits of the judges of the Tribunal are sui generis, the mechanism that would be put in place would need to have a primary investment goal to ultimately meet or exceed future benefit obligations to the retired judges of the Tribunal. The Secretariat is currently discussing the issue of an appropriate mechanism with experts in the field of pension management and will report to the General Assembly on the outcome of those discussions during its sixty-fourth session.

IV. Action to be taken by the General Assembly

11. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To approve an additional appropriation for the biennium 2008-2009 in the amount of $13,117,900 gross ($11,404,700 net) to the Special Account for the International Tribunal for the Former Yugoslavia.**

Annex

Budgetary assumptions: International Tribunal for the Former Yugoslavia for the biennium 2008-2009

	Initial appropriation		*Proposed estimates for the revised appropriation*	
Budget parameters	*2008*	*2009*	*2008*	*2009*
Rate of exchange[a]	0.733	0.733	0.677	0.773
Inflation rate (percentage)	2.00	2.00	2.50	1.70
Post adjustment multiplier (percentage)	55.75	57.55	67.55	52.10
Common staff costs rate (percentage)	40.24	40.24	40.24	40.24
Vacancy rates for continuing posts				
Professional category and above (percentage)	9.50	9.50	9.50	9.50
General Service and related categories (percentage)	7.90	7.90	7.90	7.90
Vacancy rates for new posts				
Professional category and above (percentage)	50.00	50.00	50.00	50.00
General Service and related categories (percentage)	40.00	40.00	40.00	40.00

[a] 1 United States dollar ($): euro (€).